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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

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DOUG LITTLE – Chairman
BOB STUMP
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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
MIDVALE TELEPHONE COMPANY, INC. FOR
THE ESTABLISHMENT OF JUST AND
REASONABLE RATES FOR ITS YOUNG
EXCHANGE AND FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PROPERTY
IN ITS YOUNG EXCHANGE.

DOCKET NO. T-20741A-16-0088

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On March 8, 2016, Midvale Telephone Company, Inc. ("Midvale" or "Company") filed with the Arizona Corporation Commission ("Commission"), pursuant to Arizona Revised Statutes ("A.R.S.") § 40-250 and Arizona Administrative Code ("A.A.C.") R14-2-103, an application for an increase in its residential monthly access rates for its Young Exchange in order to compensate for the rate floor requirements established by the Federal Communication Commission ("FCC"). Midvale requests that the Commission approve a residential rate increase to \$20.00, effective June 1, 2017, and to \$21.22, effective June 1, 2018.

On March 18, 2016, a Notice to the Parties was filed by the Administrative Law Judge ("ALJ") assigned to this matter.

On April 7, 2016, the Commission's Utilities Division ("Staff") filed a Sufficiency Letter classifying Midvale as a Class B utility.

It is appropriate to set this matter for hearing at this time.

IT IS THEREFORE ORDERED that a **hearing** on the application shall commence on **August 30, 2016**, commencing at **10:00 a.m.**, or as soon thereafter as practicable, at the Commission's offices, 1200 West Washington Street, **Hearing Room No. 2**, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that the **Staff Report and/or direct testimony** and associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before

1 **July 8, 2016.**

2 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits to be presented at
3 hearing on behalf of intervenors shall be reduced to writing and filed on or before **July 22, 2016.**

4 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
5 presented at hearing by **Midvale** shall be reduced to writing and filed on or before **August 5, 2016.**

6 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
7 **filing is due,** unless otherwise indicated above.

8 IT IS FURTHER ORDERED that any **objections to pre-filed testimony or exhibits** shall be
9 made on or before **August 19, 2016.**

10 IT IS FURTHER ORDERED that **all testimony filed shall include a table of contents** which
11 lists the issues discussed.

12 IT IS FURTHER ORDERED that copies of summaries shall be served upon the
13 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties
14 of record at for before the commencement of the hearing.

15 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
16 except that **all motions to intervene must be filed on or before June 28, 2016.**

17 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before
18 **July 12, 2016.**

19 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
20 regulations of the Commission, except that any objection to discovery requests shall be made within
21 5 calendar days of receipt¹ and responses to discovery requests shall be made within 7 calendar days
22 of receipt. The response time may be extended by mutual agreement of the parties involved if the
23 request requires an extensive compilation effort.

24 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
25 receiving party requests service to be made electronically, and the sending party has the technical
26 capability to provide service electronically, service to that party shall be made electronically.

27 _____
28 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. MST
will be considered as received the next business day.

1 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
2 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
3 Commission's Hearing Division to request a date for a procedural conference to resolve the discovery
4 dispute; that upon such a request, a procedural conference will be convened as soon as practicable;
5 and that the party making such a request shall forthwith contact all other parties to advise them of the
6 conference date and shall at the procedural conference provide a statement confirming that the other
7 parties were contacted.²

8 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are
9 not ruled upon by the Commission within 20 calendar days of the filing date of the motion shall be
10 deemed denied.

11 IT IS FURTHER ORDERED that any responses to motions shall be filed within five calendar
12 days of the filing date of the motion.

13 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the
14 filing date of the response.

15 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
16 this matter, in the following form and style with the heading in no less than 18-point bold type and
17 the body in no less than 10-point regular type:

18
19 **PUBLIC NOTICE OF THE HEARING ON THE APPLICATION OF MIDVALE**
20 **TELEPHONE COMPANY, INC. FOR AN INCREASE IN ITS RATES AND CHARGES**
(Docket No. T-20741A-16-0088)

21 On March 8, 2016, Midvale Telephone Company, Inc. ("Midvale" or "Company") filed with the
22 Arizona Corporation Commission ("Commission"), pursuant to Arizona Revised Statutes ("A.R.S.")
23 § 40-250 and Arizona Administrative Code ("A.A.C.") R14-2-103, an application for an increase in
24 its residential monthly access rates for its Young Exchange in order to compensate for the rate floor
25 requirements established by the Federal Communication Commission ("FCC"). Midvale requests
26 that the Commission approve a residential rate increase to \$20.00, effective June 1, 2017, and to
27 \$21.22, effective June 1, 2018.

28 On November 18, 2011, the FCC issued a comprehensive new Order. Among other things, the
FCC's Order establishes that in order for the Company to continue receiving federal support funds,

² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

the Company's local residential monthly service rates must be increased to floor rates. The FCC determines the floor rate annually. If the Company's rates are not increased to the floor rate, the amount of federal support funds the Company receives will be reduced dollar-for-dollar for each customer by the difference between the existing local rate and the new FCC floor rate.

The Commission's Utilities Division ("Staff") is in the process of analyzing the Company's application, and has not yet made any recommendations regarding the Company's proposed rates. The Commission will determine the appropriate relief to be granted based on the evidence presented by the parties at an evidentiary hearing. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors. Therefore, the final rates approved by the Commission may be higher or lower than the rates requested by the Company.

How You Can View or Obtain a Copy of the Rate Application

Copies of the application and proposed rates are available by contacting [Company insert contact information here], at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, 85007, for public inspection during regular business hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function and Docket No. T-20741A-16-0088.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **August 30, 2016, at 10:00 a.m.**, at the Commission's offices, Hearing Room No. 2, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken at the beginning of the hearing.

Written public comments may be submitted by mailing a letter referencing **Docket No. T-20741A-16-0088** to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using the "Submit a Public Comment for a Utility" function. If you require assistance, you may contact the Consumer Services Section at 602.542.4251 or 1.800.222.7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. However, failure to intervene will not preclude any person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

To request intervention, you must file an **original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007, **no later than June 28, 2016**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission. Information about intervention and sample intervention requests are available on the Commission's website (www.azcc.gov) using the "Intervention in Utility Cases" link.

Your request to intervene must contain the following:

- 1 1. Your name, address, and telephone number, and the name, address, and telephone number of
any person upon whom service of documents is to be made, if not yourself;
- 2 2. A reference to **Docket No. T-20741A-16-0088**;
- 3 3. A short statement explaining:
 - 4 a. Your interest in the proceeding (e.g., a customer of the Company, etc.),
 - 5 b. How you will be directly and substantially affected by the outcome of the case, and
 - 6 c. Why your intervention will not unduly broaden the issues in the case;
- 7 4. A statement certifying that you have served a copy of the request to intervene on the utility or
its attorney and all other parties of record in the case; and
- 8 5. If you are not represented by an attorney who is an active member of the Arizona State Bar,
and you are not representing yourself as an individual, sufficient information and any
appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31,
38, 39, and 42, as applicable.

9 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions
10 to intervene must be filed on or before June 28, 2016. If representation by counsel is required by
Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor obtaining
counsel to represent the intervenor.

11 ADA/Equal Access Information

12 The Commission does not discriminate on the basis of disability in admission to its public meetings.
13 Persons with a disability may request reasonable accommodations such as a sign language interpreter,
as well as request this document in an alternative format, by contacting the ADA Coordinator,
14 Shaylin Bernal, E-mail sabernal@azcc.gov, voice phone number 602-542-3931. Requests should be
made as early as possible to allow time to arrange the accommodations.

15
16 IT IS FURTHER ORDERED that Midvale shall mail a copy of the above notice to each of its
residential customers no later than **June 2, 2016**.

17
18 IT IS FURTHER ORDERED that **Midvale shall file certification of mailing** as soon as
possible after the mailing has been completed.

19
20 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing,
21 notwithstanding the failure of an individual customer to read or receive the notice.

22 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
23 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac*
24 *vice*.

25 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
26 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
27 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
28 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for

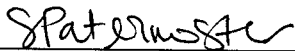
1 discussion, unless counsel has previously been granted permission to withdraw by the Administrative
2 Law Judge or the Commission.

3 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
4 Communications) applies to this proceeding and shall remain in effect until the Commission's
5 Decision in this matter is final and non-appealable.

6 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
7 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

8 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
9 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
10 hearing.

11 DATED this 29th day of April, 2016.

12
13 
14 SASHA PATERNOSTER
15 ADMINISTRATIVE LAW JUDGE
16
17

18 Copies of the foregoing mailed/delivered
19 this 29th day of April, 2016, to:

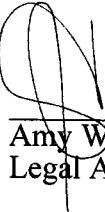
20 Timothy Sabo
21 Snell & Wilmer, LLP
22 One Arizona Center
23 Phoenix, Arizona 85004
24 Attorney for Midvale Telephone Company, Inc.

25 Janice Alward, Chief Counsel
26 Legal Division
27 ARIZONA CORPORATION COMMISSION
28 1200 West Washington Street
Phoenix, AZ 85007

Thomas Broderick, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

1 COASH & COASH, INC.
2 COURT REPORTING, VIDEO & VIDEOCONFERENCING
3 1802 N. 7th Street,
4 Phoenix, AZ 85006

5 By:

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7 _____
8 Amy Wilson
9 Legal Assistant to Sasha Paternoster
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